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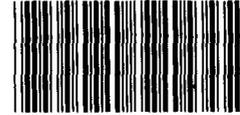


United States
General Accounting Office
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Human Resources Division

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May 20, 1992



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The Honorable William D. Ford
Chairman, Committee on Education
and Labor
House of Representatives

The Honorable Carl C. Perkins
Chairman, Subcommittee on Employment
Opportunities
Committee on Education and Labor
House of Representatives

As agreed with your offices, we are providing some preliminary results from our review of participant support under the Job Training Partnership Act (JTPA), which was undertaken at your request. The following information responds to the portion of your request that asked for information on the impact of participant support on the program outcomes experienced by JTPA enrollees. Also, we are providing comments on H.R. 3033, the Job Training Reform Amendments, the House-passed bill to amend JTPA, and S. 2055, the Job Training and Basic Skills Act of 1992, the Senate-passed bill.

PARTICIPANT SUPPORT ASSOCIATED
WITH IMPROVED PROGRAM OUTCOMES

Our preliminary analysis at five service delivery areas (SDAs) indicates that among a group with an apparent need for participant support--single parents with a child under 6 years of age--those who received child care, regardless of its source, had better program outcomes than those who did not. Those who received child care assistance more often successfully completed their training (69 vs. 45 percent), and more often obtained jobs or experienced some other positive outcome, such as completing a major level of education (68 vs. 49 percent), than those who did not receive such assistance.

GAO/HRD-92-35R, Comments on JTPA Bills

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Participant support consists of supportive services (services necessary to enable individuals to attend JTPA training activities, such as child care) and needs-based payments (payments to individuals to offset the costs associated with training). The act also includes work experience--short-term jobs designed to develop good work habits--under the participant support cost category. To assess the impact of participant support on JTPA participants' outcomes, we performed a detailed analysis of participants' program experiences at five SDAs. These SDAs, selected from the 628 programwide, provided geographic dispersion, served either urban or rural areas, or provided diversity in their approaches to supplying participant support.

At the five local programs, we compared the outcomes of participants with an apparent need for participant support and who received it with those who had a similar need but did not receive such support. Participants who were single parents with a child under 6 and were enrolled in a training activity were presumed to have a need for child care services. We analyzed all or a sample of such participants at the five locations to determine (1) the extent to which they were provided child care services, either through JTPA or from other sources such as another program, family members, or friends, and (2) their outcomes upon program termination.

COMMENTS ON H.R. 3033 AND S. 2055

In our reports on JTPA, we recommended that the Secretary of Labor emphasize higher and moderate skill training, improve monitoring of the effect of training, and provide guidance on the length of on-the-job training. We also recommended that the Secretary improve Labor's oversight, monitoring, and guidance to the states to limit the program's vulnerability to waste, abuse, and mismanagement. We also recommended that the Congress provide legislative guidance on targeting services to those with the greatest need for training, assessing the need for remedial education, and collecting better data for assessing the effects of training.

In our opinion, both bills, if enacted, would substantially improve the JTPA program and strengthen its operations. Many of the proposed changes to the program are responsive to the concerns about JTPA that we have raised in the past and respond to our recommendations. Enclosed are

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a list of key open recommendations from prior GAO products (enclosure I) and a list of related GAO reports and testimonies (enclosure II).

We particularly support the requirements in both bills to assess the skill levels and service needs of program participants; to develop a service strategy that identifies employment goals, achievement objectives, and appropriate services; and to assess participant progress in meeting the objectives of the strategy. This provision should contribute significantly to ensuring that JTPA participants receive appropriate, career-enhancing services and the support services needed to participate in training.

Following are our views on several areas that you may wish to consider during the House-Senate conference on these bills.

Record-keeping and Reporting Requirements

Both S. 2055 and H. R. 3033 provide for additional record-keeping and reporting requirements that should go a long way toward addressing a problem that has existed within the program since its inception--the lack of sufficient and consistent program data. The Department of Labor has also proposed a standardized participant information system that will collect more extensive and consistent data on JTPA participants. We support Labor's proposal and believe that, if fully implemented, it could result in a system that closely parallels your proposal and that specifies all the data items to be collected. Therefore, we suggest that the data collection requirements in your bills encourage following the system being developed by Labor.

One data item that we believe needs clarification is "the length of time that participants are engaged in program activities." Labor plans to collect information on the number of planned hours of training activity/service under its proposed system. Both the Senate and House bills refer to obtaining information on the length of time in such activities, with no further clarification. In our view, actual hours of training activities are key factors in being able to relate JTPA outcomes to the training received. Our previous work has shown that requesting SDAs to provide the actual number of hours in an activity, particularly for training activities, would not generally place an additional burden on SDA data collection efforts. Most SDAs we surveyed in a representative nationwide sample consistently gathered such data.

Although it is important to know the extent of training provided to participants to be able to evaluate program outcomes in relation to the training received, it may be less important to know the precise number of hours in training-related activities. Therefore, we suggest that the legislative committees consider requiring SDAs to report actual hours for training activities--basic and occupational skills, on-the-job training, and work experience. For training-related activities- job search assistance, other employment skills, and basic readjustment services--only planned hours and whether participants completed the activity need be reported.

Targeting JTPA Services

Both the House and Senate bills would target JTPA services to individuals with certain characteristics, such as those who are dropouts, on welfare, or disabled. Although the characteristics listed in the two bills are similar, H.R. 3033 does not include those who have been unemployed for 6 months or more as does S. 2055. Our previous work, as well as previous research and expert opinion, indicates that recent work experience is a strong predictor of how one will fare in the job market. Therefore, the committees may wish to include the lack of recent work experience among the characteristics targeted.

Providing Support Services

Although both bills require assessments of all participants' skill levels and service needs, including supportive service needs, the House bill provides that supportive services are to be furnished to participants, either directly or through arrangements with other programs, where the assessment and service strategy indicate they are appropriate. The Senate bill does not contain this provision. In view of our preliminary findings regarding participant support services, we suggest that the legislative committees adopt the House language in this regard.

Training-Related and Supportive Services Cost Category

Under the existing legislation, JTPA title IIA program costs are to be charged to one of three cost categories: training, administration, or participant support. Both bills would redefine the allowable cost categories. The new categories would be direct training (which would no longer include training-related costs, such as for job search assistance),

administration, and training-related and supportive services (a combination of indirect training and participant support costs). We understand that one purpose for combining the training-related category with participant support is to allow SDAs flexibility in deciding the amount of funds they will spend on each service within this overall cost category. While we have no objection to combining these two cost categories into one category, we suggest that the costs associated with each be reported individually.

In our view, combining training-related costs with participant support will obscure the amount spent on each. Currently, supportive services are reported as a separate cost category, but because of the way SDAs and states are accumulating and reporting these data, one cannot readily and accurately determine how much is being spent on these services. Combining participant support with training-related services will exacerbate this situation. To the extent that congressional oversight committees and the Department of Labor consider such information necessary to carry out their responsibilities, consideration should be given to requiring that training-related and participant support costs be reported separately. Having a combined cost category but requiring expenditures to be reported separately still allows SDAs flexibility in deciding how much to spend on each subcategory, while giving the Congress and others information on supportive services.

Direct Training Services

S. 2055 and H. R. 3033 would establish a new cost category for direct training services and require that at least 50 percent of JTPA title IIA funds be spent on such services. Establishing this category will permit one to determine how much is being spent specifically on training.

Both the House and Senate bills provide an extensive list of activities to be included under the direct training category, such as basic skills, classroom occupational, or on-the-job training. We support including some items--particularly work experience--but are concerned that including other items--assessment, counseling, and case management--under this cost category will mask how much is spent on direct training. Although assessment, counseling, and case management are an integral part of the overall employment and training strategy, they are not dissimilar to other

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"training-related services" specified in S. 2055 and H.R. 3033, such as job search assistance and participant outreach.

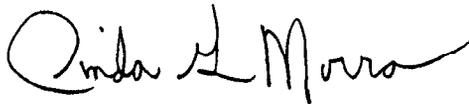
In our opinion, it would be more appropriate to include the costs of assessment, counseling, and case management under the "training-related and supportive services" cost category. This change would permit a clear determination of the amount of funds spent on training.

State On-Site Monitoring of SDAs

Both S. 2055 and H.R. 3033 would amend section 164(a) of JTPA to require state on-site monitoring of each SDA and substate area to ensure compliance with procurement standards. The conclusion, in our 1991 report, that JTPA oversight is inadequate is based on more than just procurement-related problems and includes inappropriate classification of costs, failure to adhere to cost limitations, and lack of proper inventory control. Thus, while we strongly support the requirement for on-site monitoring, we believe that it should be expanded to include other areas of weaknesses, such as those revealed by our work.

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We are also sending copies of this letter to the Senate Committee on Labor and Human Resources and the Subcommittee on Employment and Productivity. If you have any questions or need additional information, please call me at (202) 512-7014 or Sigurd Nilsen or Thomas Medvetz of my staff at (202) 512-7010.



Linda G. Morra
Director, Education and
Employment Issues

KEY OPEN RECOMMENDATIONS FROM RELATED GAO PRODUCTSJOB TRAINING PARTNERSHIP ACT: RACIAL AND GENDER DISPARITIES IN SERVICES (GAO/HRD-91-148, Sept. 20, 1991)Open Recommendations to the Congress

The Congress should amend JTPA to require that

- participants be independently assessed and receive career counseling before they are referred to providers for specific services;
- the Department of Labor encourage SDAs to use incentives for contractors to provide training that involves higher costs and risks, such as training for women in nontraditional jobs;
- adequate data be collected by Labor to enable it to identify service disparities; and
- Labor promptly investigate disparities that might represent violations of civil rights, make violation or nonviolation findings promptly, and take immediate steps to enforce appropriate civil rights laws when violations are found.

Open Recommendation to Labor

The Secretary of Labor should ensure that states, SDAs, and JTPA contractors understand that it is a violation of federal law for federal funds to be used in a discriminatory manner.

JOB TRAINING PARTNERSHIP ACT: INADEQUATE OVERSIGHT LEAVES PROGRAM VULNERABLE TO WASTE, ABUSE, AND MISMANAGEMENT (GAO/HRD-91-97, July 30, 1991)Open Recommendations to Labor

Labor should provide technical assistance to states for the development and implementation of monitoring procedures directed at detecting waste, fraud, and abuse within the program.

Labor should provide policy guidance to clarify regulations for accounting for and reporting administrative costs to accurately reflect program expenditures.

Labor should provide policy guidance to clarify regulations for developing on-the-job training contracts that appropriately reflect the job requirements as well as the individual's work experience.

Labor should provide policy guidance to clarify regulations for maintaining adequate control over property purchased with JTPA funds to ensure that it is used for its intended purposes.

Labor should provide policy guidance to clarify regulations for monitoring service providers to ensure that incidents of waste and abuse are detected and corrective action taken.

AMENDING THE JOB TRAINING PARTNERSHIP ACT: INADEQUATE OVERSIGHT
AMONG ISSUES THAT NEED TO BE ADDRESSED, (GAO/T-HRD-91-28, May 9, 1991)

Open Recommendations to the Congress

To reduce JTPA potential for waste, abuse, and mismanagement and to limit the questionable practices now occurring at the local level, the Congress should require that Labor provide

- technical assistance to states for the development and implementation of monitoring procedures that would detect waste, fraud, and abuse within the program.
- definitive policy guidance to the states and service delivery areas to clarify regulations for accounting for and reporting administrative costs to accurately reflect program expenditures.
- definitive policy guidance to the states and SDAs to clarify regulations for developing on-the-job training contracts that appropriately reflect the job requirements as well as the individual's work experience.
- definitive policy guidance to the states and SDAs to clarify regulations for maintaining adequate control over property purchased with JTPA funds to ensure that it is used for its intended purposes.
- definitive policy guidance to the states and SDAs to clarify regulations for monitoring service providers to ensure that incidents of waste and abuse are detected and corrective action taken.

JOB TRAINING PARTNERSHIP ACT: SERVICES AND OUTCOMES FOR PARTICIPANTS WITH DIFFERING NEEDS (GAO/HRD-89-52, June 9, 1989)

Open Recommendation to the Congress

The Congress should consider amending JTPA to require states and SDAs to collect and report data on those who are being served, the kinds and intensity of services they receive, and the outcomes they attain.

Open Recommendations to Labor

The Secretary of Labor should increase JTPA's emphasis on higher and moderate skill occupational training.

The Secretary of Labor should collect data necessary to measure differences in program outcomes associated with higher and moderate skill occupational training.

The Secretary of Labor should monitor the effect of more intensive training on the number of participants the program can serve and on program outcomes, including placement rates experienced by the less job-ready receiving higher skill training.

The Secretary of Labor should provide guidance to SDA to ensure that the length of on-the-job training contracts is commensurate with the skill level of the job involved.

SUMMER YOUTH JOBS PROGRAM: CONGRESSIONAL ACTION HAS INCREASED EMPHASIS ON REMEDIAL EDUCATION (GAO/HRD-88-118, Sept. 30, 1988)

Open Recommendations to the Congress

The Congress may wish to consider requiring the Department of Labor to evaluate all or a sample of summer youth programs' remediation components, using standardized education achievement test.

The Congress may wish to consider requiring that Labor define some minimal amount of remediation that must be provided during the summer.

The Congress may wish to consider requiring that all youth in the program who are in need of remedial education receive it.

RELATED GAO PRODUCTS

Job Training Partnership Act: Racial and Gender Disparities in Services (GAO/HRD-91-148, Sept. 20, 1991).

Job Training Partnership Act: Inadequate Oversight Leaves Program Vulnerable to Waste, Abuse, and Mismanagement (GAO/HRD-91-97, July 30, 1991).

Job Training Partnership Act: Racial and Gender Disparities in Services (GAO/T-HRD-91-42, July 17, 1991).

Amending the Job Training Partnership Act: Inadequate Oversight Among Issues That Need to be Addressed (GAO)/T-HRD-91-28, May 9, 1991).

Job Training Partnership Act: Youth Participant Characteristics, Services, and Outcomes (GAO/HRD-90-46BR, Jan. 24, 1990).

Job Training Partnership Act: Comments on H.R. 2039, The JTPA Amendments of 1989 (GAO/T-HRD-89-32, June 29, 1989).

Job Training Partnership Act: Services and Outcomes for Participants With Differing Needs (GAO/HRD-89-52, June 9, 1989).

Senate Bill 543: The Job Training Partnership Act Youth Employment Amendment of 1989 (GAO/T-HRD-89-18, May 11, 1989).

Job Training Partnership Act: Participants, Services, and Outcomes (GAO/T-HRD-88-31, Sept. 29, 1988).

Job Training Partnership Act: Data Collection Efforts and Needs (GAO/HRD-86-69, Mar. 31, 1986).